convene any formal Conference of Chief Ministers on the subject.

(b) Does not arise.

Export of soft drinks by Pepsi Foods

1054. SHRI CHATURANAN MISHRA: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact that Pepsi Foods project is supposed to be agro-based and export oriented and that is why the soft drinks business was restricted to 25 per cent;

(b) if so, how will Government monitor this;

(c) whether Government will stop the soft drinks if it exceeds 25 per cent or if the exports of its production is less than 40 per cent of total sales; and

(d) whether Government would allow soft drinks to start before fruit processing and before fulfilling the export obligations?

THE MINISTER OF TEXTILES WITH ADDITIONAL CHARGE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SHARAD YADAV): (a) to (d) Various conditions including the condition that the production of soft drink concentrate would not exceed 25 per cent of the total turnover were imposed in the letter of intent granted to M/s. Punjab Agro Industries Corporation after consideration of all relevant issues and factors. The monitoring of these conditions will be done by the Government through various methods including obtaining periodic returns. Appropriate action will be taken in the event of any violation of the conditions of the letter of intent. The manufacture of various items and fulfilment of export obligation will be governed by the conditions laid down in the letter of intent.

Pharmaceutical companies earning Foreign Exchange on Import of Life saving drugs

1055. SHRI CHATURANAN MISHRA:
SHRI GURUDAS DAS GUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Enforcement Directorate has tracked down several Pharmaceutical Companies which have been making huge profits by pricing imported life-saving drugs at over ten times their cost and getting as much foreign exchange too; and

(b) if so, what are the details of those companies and the action taken against them?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) and (b) The Directorate of Enforcement searched the concerned premises of M/s. Meher Pharma India Ltd. and M/s. Vitro Pharma India Ltd. in January, 1990 and seized certain incriminating documents. The investigations, so far conducted in the case have revealed that the drugs imported by the firms were over-invoiced by about eight times the real price of these drugs. Shri S. N. Garg, the President of the firms could not be arrested as he moved the Bombay High Court and obtained anticipatory bail on medical grounds.

Enquiry into the awarding of contract for modernisation of Durgapur Steel Plant

1056. PROF. SOURENDRA BHATTACHARJEE: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Government have ordered an enquiry into the facts and circumstances under which the contract for modernisation of Durgapur Steel Plant was given to a firm based in West Germany along with its Indian collaborator, M/s. Birla Technical Services at a much higher cost;

(b) whether negotiations with the firms had started as early as in 1987;

(c) whether other competitive offers were rejected by the erstwhile Government and Durgapur Steel Plant management; and

(d) if so, what are the details in this regard?

THE MINISTER OF STEEL AND MINES WITH ADDITIONAL CHARGE OF THE MINISTRY OF LAW AND JUSTICE (SHRI DINESH GOSWAMI): (a) to (c) No, Sir.

(d) Does not arise.

Survey for Imposition of tax on the rural rich

1057. SHRI GURUDAS DAS GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to conduct a survey to study whether tax could be imposed on the rural rich; and

(b) if not, what are the reasons therefor?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) and (b) Income of all persons from sources other than agriculture is chargeable to tax under the provisions of the Income-tax Act. Survey of business and commercial premises is undertaken by the Income-tax Department in both urban and rural areas to locate persons, having taxable income but are not being assessed to tax.

News-item captioned 'Charges against Mamaji'

1058. SHRI A. G. KULKARNI:
SHRI VISHWASRAO RAMRAO PATIL:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned 'Charges against 'Mamaji' which appeared in the Indian Express of 29th March, 1990; if so, what are the specific charges against Mamaji and threat by Swamy to disclose the political connections;

(b) whether any efforts are being made to bring back the high flying Swamy from abroad to complete legal process under law; and

(c) what are the difficulties in taking legal action against him?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) Yes, Sir.

The specific charge under FERA is that during the year 1985 Shri Kailash Nath Aggarwal @ Mamaji in association with Shri Chandra Swami acquired Foreign exchange of U.S. $50 lakhs and instead of surrendering it to an authorised dealer in India, transferred the same to the account of a person resident outside India in contravention of the provisions of FERA, 1973.

(b) and (c) Shri Chandraswami is out of India as per the permission granted to him by Delhi High Court in a case under investigation by CBI. The Directorate of Enforcement has issued summons to Shri Chandra Swami in this case.

News-item Captioned 'Closing in'

1059. SHRI A. G. KULKARNI:
SHRI VISHWASRAO RAMRAO PATIL:

Will the Minister of FINANCE be pleased to refer to the report in Sunday Magazine 18—24 March, 1990 captioned "Closing in" and state whether the contents have revealed that the Enforcement Directorate findings have any semblance of truth and if so, what action Government propose to take in the matter?